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August 30, 2005

VIA US MAIL & E-MAIL

Charles L. A. Terreni, Esquire
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Drive
Columbia, S.C. 29210

RE: Midlands Utility, Inc.

Dear Mr. Terreni:

Enclosed please find for filing an original and ten (10) copies of the Petition for Declaratory Order of Midlands Utility, Inc. in the above-captioned matter. By copy of this letter, I am serving all parties of record.

I have enclosed an extra copy of this petition which I would ask you to date stamp and return to me via my courier. If you have questions, please feel free to contact me.

Sincerely Yours,

ELLIOTT & ELLIOTT, P.A.



Scott Elliott

SE/mlw

Enclosures

c: All parties of record (w/Encl.)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

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IN THE MATTER OF:)

Midlands Utility, Inc.)

**PETITION FOR
DECLARATORY ORDER**

Midlands Utility, Inc. ("Midlands") hereby petitions the South Carolina Public Service Commission ("Commission") pursuant to R. 103-836 for a Declaratory Order holding that Midlands is authorized, under its existing schedule of rates approved by this Commission, to commence charging its collection-only rates to those customers whose wastewater is treated by other treatment providers without further order of this Commission. In support of its Petition, Midlands provides the following information.

1. Midlands is a closely held corporation organized and existing under the laws of the State of South Carolina and is a public utility within the meaning of S.C. Ann. §58-5-10(3) (Law. Co-op. 1976). Midlands currently furnishes sewer collection and sewer treatment service to approximately 2,937 residential and commercial customers in Richland, Lexington, Fairfield and Orangeburg Counties.

2. In certain areas of Midlands' service territory, Midlands provides treatment services for the customers it serves through its own wastewater treatment facilities. However, in certain areas of Midlands' service territory, Midlands provides collection-only service to its customers in that it collects sewerage through its own collection lines and transmits it to a governmental entity or other private sewer provider for treatment. Midlands furnishes both services by the authority of this Commission pursuant to the schedule of rates

approved by the Commission in Order No. 2005-168, Docket No. 2004-297-S dated April 6, 2005. In Docket No. 2004-297-S, Midlands applied for rate increases for, *inter alia*, both customers whose wastewater is treated by Midlands and also for those customers whose wastewater is treated by other entities (this latter rate is also referred to in Midlands Application in Docket No. 2004-297-S as a "pass-thru rate," a rate referred to throughout this Petition as a collection-only rate). Midlands provided notice of its proposed rate increases to both customer classes in Docket No. 2004-297-S as required by the Commission.

3. In its directive dated July 19, 2005, this Commission authorized Midlands to implement the schedule of rates approved in Order No. 2005-168 by October 6, 2005.

4. With respect to those customers for whom Midlands collects sewerage only and transmits it to other treatment providers for treatment, Midlands collects sewerage in the Winnsboro portion of its service territory and transmits it to the Town of Winnsboro for treatment. Similarly, Midlands collects sewerage from its customers in the Orangeburg portion of its service territory and transmits it to the City of Orangeburg Department of Public Utilities (DPU) for treatment. Likewise, Midlands collects sewerage from its customers in the Cayce portion of its service territory and transmits it to the City of Cayce for treatment. Midlands collects sewerage from its customers in its Vanarsdale portion of its service territory and transmits it to Carolina Water Service, a private utility, for treatment.

5. To date, Midlands has been charging and collecting from its customers in the Winnsboro portion of its service territory the collection-only rate approved by this Commission for Midlands customers whose wastewater is treated by other treatment providers and passing through to its customers the rates charged by the Town of Winnsboro on a pro-rata basis without markup for treating the sewerage.

6. To date, Midlands has been charging its customers in the Orangeburg, Cayce and Vanarsdale portions of its service territory rates approved by this Commission for customers whose wastewater is treated by Midlands wastewater treatment facilities and has refrained from implementing its collection-only rates approved by this Commission for these customers whose wastewater is treated by other treatment providers. Midlands has absorbed the cost of treatment by these other treatment providers.

7. Midlands is now desirous of charging its customers the collection-only rate and passing through to its customers the rates charged by the respective treatment-only providers on a pro-rata basis without markup as approved by this Commission.

8. In accordance with this Commission's directive of July 19, 2005, Midlands has begun the process of charging its customers whose wastewater is treated by other treatment providers and has begun billing these customers the collection-only rate and passing through to these customers the rates charged by the respective treatment-only providers on a pro rata basis without markup.

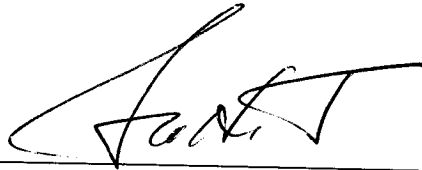

9. Midlands is informed and believes that because it seeks to begin charging certain of its customers a rate heretofore approved by this Commission in Docket 2004-297-S, it does not require further authority or order from this Commission to do so, provided it complies with all other regulations of this Commission, to include required billing practices.

10. Accordingly, Midlands petitions this Commission for an order declaring that Midlands is authorized, under its existing schedule of rates approved by this Commission, to begin charging its collection-only rates to those customers whose wastewater is treated by other treatment providers without further order of this Commission. Midlands will comply with all regulations of this Commission, to include required billing practices.

WHEREFORE, Midlands Utilities, Inc. prays for a Declaratory Order of this Commission holding:

a. That Midlands is authorized, under its existing schedule of rates approved by this Commission, to begin charging its collection-only rates to those customers whose wastewater is treated by other treatment providers and to pass through to those customers the rates charged by the respective treatment-only providers on a pro rata basis without markup without further order of this Commission; and

b. For such other and further relief as this Commission deems just and proper.



Scott Elliott, Esquire
Charles H. Cook, Esquire
ELLIOTT & ELLIOTT, P.A.
721 Olive Street
Columbia, S.C. 29205
Telephone: 803-771-0555
Facsimile: 803-771-8010

Attorneys for Petitioner, Midlands Utility, Inc.

Columbia, South Carolina
August 30, 2005

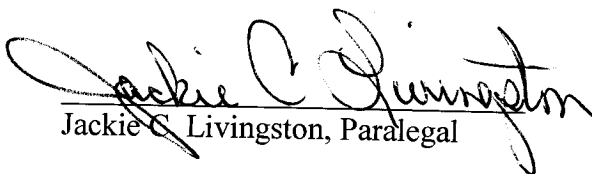
CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that (s)he has served below listed parties with a copy of Midlands Utility, Inc. Petition for Declaratory Order on behalf of Midlands Utility, Inc., indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Midlands Utility, Inc.

PARTIES SERVED: Florence P. Belser, Esquire
ORS
P. O. Box 11263
Columbia, SC 29211

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Jackie C. Livingston, Paralegal

August 30, 2005